

702 KAR 3:260. Restructuring revenue bond issues.

RELATES TO: KRS 58.150, 156.200, 157.440, 160.476, 160.477, 162.080, 162.090

STATUTORY AUTHORITY: KRS 156.070

NECESSITY, FUNCTION, AND CONFORMITY: KRS 157.440 permits taxation to the maximum approved rate for local school districts with a special voted building fund tax that had a finite expiration date. The ability to provide facilities that are needed in these districts was limited due to the limited time available through the approved special voted building fund tax. Since KRS 157.440 provided tax revenues beyond the expiration date of the special voted building tax fund, it is necessary to provide districts the opportunity to restructure their debt in a way that takes into consideration the tax revenue that will be realized beyond the expiration date. This administrative regulation sets forth the criteria that permit school districts to restructure revenue bond issues.

Section 1. The following conditions shall exist before a school district may restructure bonds:

(1) The school district shall have had on July 13, 1990, a special voted building fund tax with a finite expiration date.

(2) The district's outstanding debt service shall have been specifically tailored to mature within the life of the special voted building fund tax. The district's debt service shall be constricted within the limitation of the special voted building fund tax to the point that additional funding of capital improvements from the present to the tax expiration date are severely restricted.

(3) The average annual debt service of the district in the period from the present to the expiration date of the special voted building fund tax shall be at least three (3) times the average annual debt service in the period following the expiration of the tax.

Section 2. A district using or committing general fund revenues for existing debt service shall not be eligible to participate in a restructuring of revenue bonds. (19 Ky.R. 1024; Am. 1370; eff. 12-9-92.)